DIV. OF OIL. GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT Fillmore Field Office 95 East 500 North Fillmore, UT 84631 http://www.blm.gov/ut/st/en/fo/fillmore.html



IN REPLY REFER TO: 3600 (UTW02000) UTU-79837

May 24, 2013

CERTIFIED MAIL # 7011 3500 0000 1992 4589 RETURN RECEIPT REQUESTED

Ms. Jean Smith

65 South 500 West :

P.O. Box 249 : 43 CFR 3600 –Mineral Materials

Delta, Utah 84624 :

Notice of Impending Forfeiture and Default of Financial Guarantee

This letter is to inform you of the impending Fillmore Field Office (FFO) decision to require forfeiture of Financial Guarantee, Bureau of Land Management (BLM), recorded as received by the BLM on June 28, 2000. The forfeiture is required for failure to complete the terms of the sale contract, which you signed on October 2, 2002, in which you were required to reclaim the expired 43 CFR § 3602 Mineral Materials Negotiated Sale site within Section 35 of Township 17 South, Range 13 West. The forfeiture will be in the amount of \$1,700.00. The BLM case file number for your mineral materials sale is UTU-79837. Please refer to this number in future correspondence.

Your contract for removal of 1,389 tons of Shale Building Stone, and 611 tons of Crushed Shale, expired on October 2, 2007. The remaining \$15,641 due on your contract has not been paid. A field inspection on September 19, 2012 also determined that the required complete reclamation had not taken place. Specifically, Item 12 of your Mineral Material Sale Contract Stipulations states that "Reclamation will consist of pushing the waste rock onto the benches, then blasting any highwalls to a 1h:1v slope, covering the quarry with stockpiled topsoil, ripping the roads, loading/parking and any other compacted areas, then applying the following seed mixture:"

Seed Type	Scientific Name	Pounds per Acre
Intermediate Wheatgrass	Agropyron intermedium	4
Smooth Brome	Bromus inermis	4
Ladak Alfalfa	Mendicago sativa	4
Yellow Sweet Clover	Melitus officinalis	4

Therefore, under the authority granted to the BLM by 43 CFR §3601.62, you are notified that forfeiture will take place in 30 days, as provided for by 43 CFR §3602.21(b), unless you submit written notification to the BLM in which you state how, and when, you will fulfill your contractual obligations to the satisfaction of the BLM.

Forfeiture of the bond may be avoided by providing a written agreement under which you or another person, that you can demonstrate has the ability, to begin reclamation operations, including removal of any purchased rock stored at the site, within 30 days of your receipt of this letter, and have the access route scarified and seeded during 2013, or obtain written permission from the FFO Manager for a surety to complete requirements listed above provided the surety can demonstrate an ability to complete said reclamation requirements.

If you have any questions, please contact Duane Bays, BLM Fillmore Field Office Natural Resource Specialist, at 435-743-3115, or Jerry Mansfield, BLM Fillmore Field Office Geologist, at 435-743-3125.

Sincerely,

Michael D. Gates Field Manager

cc:

Paul Baker
UDOGM (S/027/0068)
1594 W North Temple Ste 1210
Salt Lake City, UT 84114

Bill Buge (UT-923) Utah State Office/ BLM PO Box 45155 Salt Lake City, UT 84145-0155